# Lawson Gold Limited

**ABN 32 141 804 104**

## Annual Financial Report

**For the Year Ended 30 June 2015**

**Lawson Gold Limited**

**ABN 32 141 804 104**

# Contents

## For the Year Ended 30 June 2015

# Contents

## For the Year Ended 30 June 2015

# Corporate Information

**Directors**
Mr Simon O'Loughlin (Chairman, Non-Executive Director)
Mr Peter Reid (Executive Director)
Mr Donald Stephens (Non-Executive Director)

**Group Secretary**
Mr Donald Stephens

**Registered Office**
169 Fullarton Road
DULWICH SA 5065

**Principal place of business**
169 Fullarton Road
DULWICH SA 5065

**Share Registry**
Computershare Investor Services Pty Ltd
Level 5
115 Grenfell Street
ADELAIDE SA 5000

**Bankers**
National Australia Bank
22 – 28 King William Street
ADELAIDE SA 5000

**Auditors**
Grant Thornton Audit Pty Ltd
Chartered Accountants
Level 1
67 Greenhill Road
WAYVILLE SA 5034

# Review of Operations
## 30 June 2015

Lawson Gold Limited (Lawson / the Company) continues the minimisation of ongoing expenditure in order to preserve funds whilst the board assess new business opportunities with high growth potential. During the period the Company completed a fully subscribed Non-Renounceable Right Issue raising $746,790. The Non-Renounceable Right Issue was offered in July 2014, 1 Share for every 1 Share held, at an issue price of $0.03 per New Share.

In July 2015, just after the reporting period, the Company advised that it had executed a Mining Farm-In and Joint Venture Agreement with Moho Resources NL (Moho). Moho is a new, WA-focused, unlisted nickel, copper and gold exploration company directed by former Western Mining and Alcoa senior management. Moho will acquire equity in and fund exploration of the newly named Silver Swan North Project, comprising Lawson's Mining Lease M27/263 and Exploration Licence E27/345 located in the world-class Kalgoorlie, nickel and gold mining district (Figure 1).

For Moho to earn a 70% equity, the staged farm-in joint venture includes the drill testing of high priority electromagnetic targets, prospective for nickel sulphide mineralisation and $1,000,000 spent over the two licences (refer to 27/07/15 ASX announcement). Whilst maintaining a meaningful equity in the project, the introduction of a new exploration partner significantly reduces the Company's ongoing exploration and expenditure obligations and will see exploration activities resume on these prospective nickel and gold leases.

During the period the Board reviewed several new investment opportunities presented to the Company and this work is ongoing. The Company remains in a strong position to attract new projects having a tight shareholding, low expenditure obligations and with a solid cash position. Lawson's cash position at the end of the period is $803,502.

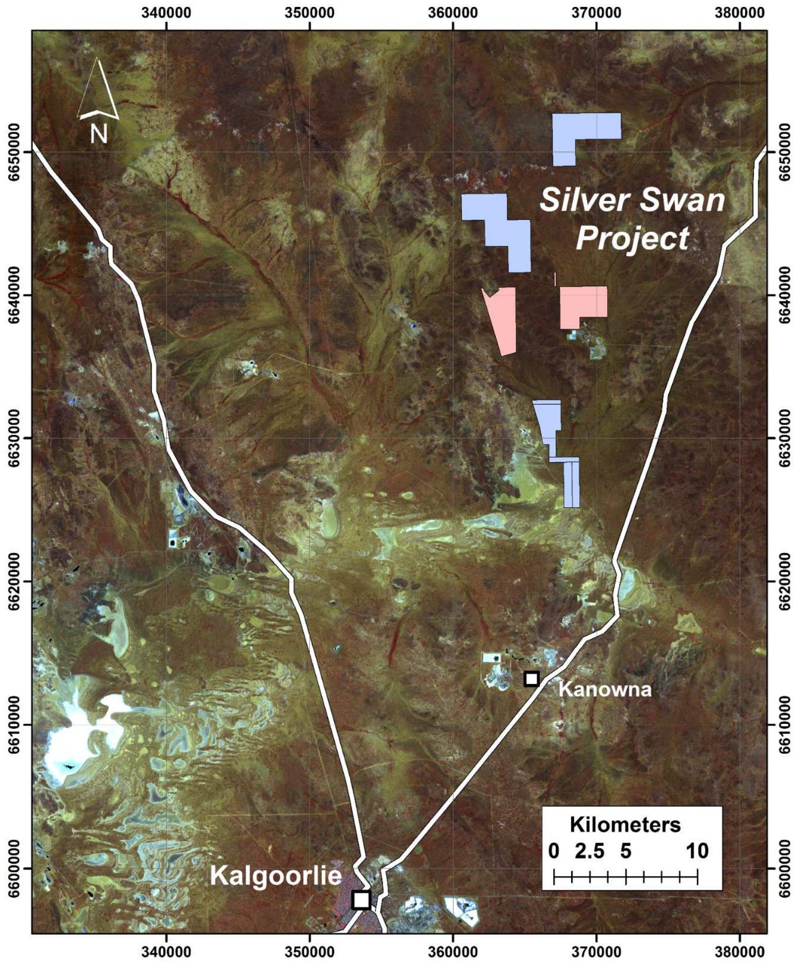


**Figure 1:** Silver Swan Project tenement holdings. Red licences in JV with Moho Resources.

### Exploration Activities

Just prior to the reporting period The Company entered into a 6 month Prospecting Agreement with a local contractor to undertake shallow low impact surface prospecting operations around known historical alluvial gold mineralisation on M27/263, close to the Company's Lawson Gold Prospect. The ground operations occurred from June through to August and the data collected helped provide a vector to locate primary shallow gold targets for potential later drill testing.

The Company undertook ground reconnaissance mapping and a ground moving loop electromagnetic (EM) survey over 2 prospects in the Silver Swan Project Area (Figure 2). This was conducted to constrain previously identified but poorly defined electro-magnetic anomalies ahead of potential drill testing (refer to December Quarter 2014 Activities, 30/01/2015 ASX release for survey details). The target areas are close to the Black Swan nickel deposit (Figure 2) and are associated with prospective Archean aged ultramafic rocks.

The EM survey was performed by Vortex Geophysics of Perth and completed in November. A total of 6 line kilometres of ground EM data were collected along 5 lines with recordings taken every 50 metres. The purpose of the survey was to identify potential nickel mineralisation which is typically hosted in massive sulphides and is therefore conductive.

EM survey data lines acquired over the previously identified Silver Swan North target (refer to 24/9/13 ASX release) has increased confidence in its orientation and size of the conductor and now enables the strongest part of the conductor to be drill tested. It is a strong late time conductive anomaly (Table 1) seen on all three EM lines and is open on both ends indicating the body is at least 1.2 kilometres long. The target is well constrained with line data modelling a single plate (Figure 3) starting at 170 metres vertical depth.

Infill EM over the South-Eastern 2 target area failed to identify any significant late time conductors and the target has been downgraded. The South-Eastern 1 target identified in the 2008 survey (refer to 24/9/13 ASX release) remains a strong high priority target (Table 1) for drill testing.

Under the new joint venture with Moho, further geochemical and geophysical surveys over these target areas and other early-stage prospects will occur, with drill testing of the best targets to follow. Under the terms of the agreement Moho must complete drilling of two targets by 31 December 2015 (or as extended by Moho by written notice to Lawson before 31 December 2015 for a further period of three months).

The introduction of a new exploration partner for the Silver Swan North project is significant. It will see exploration activities resume on these prospective nickel and gold leases and ensures Lawson can focus its efforts on acquiring other new investment initiatives with similar high growth potential.

***Table 1** – EM Target Model Plate Properties*

| Plate | Easting (GDA 94) | Northing (GDA 94) | Depth (metres) | Strike Length / Depth Extent (metres) | Dip / Dip Direction (Degrees) | Conductivity Thickness (Siemens/metre (S/m)) |
|---|---|---|---|---|---|---|
| Silver Swan North | 363185 | 6639050 | 170 | 1200 / 700 | $73^{o}$/ $60^{o}$ | 6000 |
| South-Eastern 1 | 370290 | 6639025 | 343 | 200 / 90 | $35^{o}$/ $95^{o}$ | 29000 |

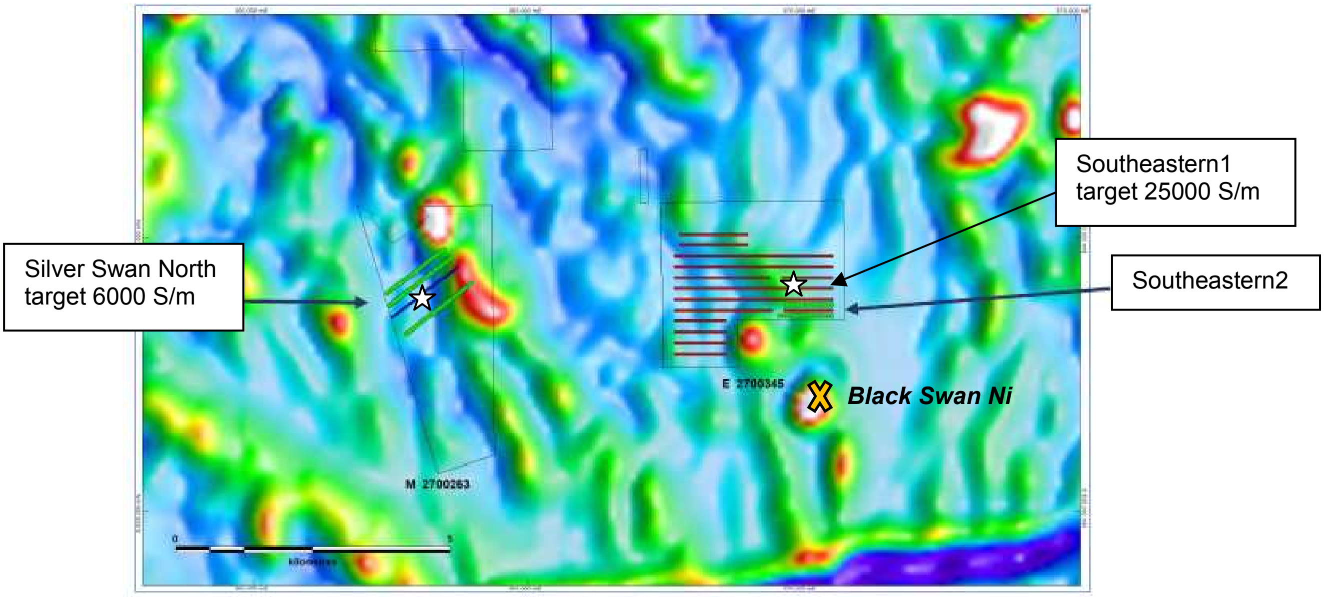


***Figure 2*** *- Silver Swan ground EM stations shown over pseudo colour reduced to pole aeromagnetic image (Green lines November 2014 survey, red and blue 2008 survey).*

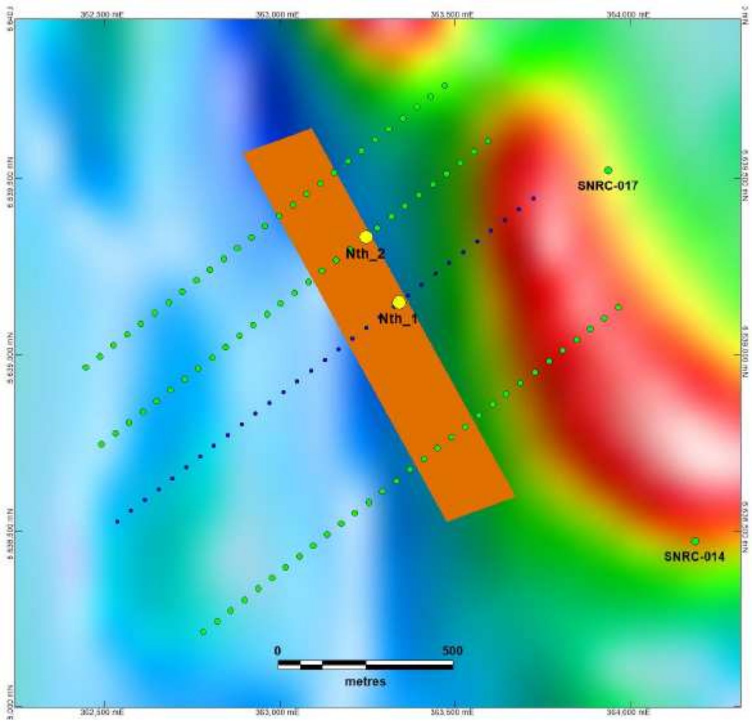


***Figure 3*** *- Silver Swan North target – proposed drill hole collars over plate model (orange) and reduced to pole magnetics.*

***Competent Persons Statement:*** The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Peter Reid, who is a Competent Person, and a Member of the Australian Institute of Geoscientists. Mr Reid is an Executive Director and part time contractor to Lawson Gold Ltd. Mr Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# Directors' Report
## 30 June 2015

Your Directors submit their report for the year ended 30 June 2015.

This financial report covers Lawson Gold Limited (ABN 32 141 804 104) and its controlled entity. The Company's functional and presentation currency is Australian Dollars.

A description of the Company's operations and of its principal activities is included in the review of operations and activities in the Directors' report.

**Directors**
The names and details of the Company's Directors in office at the date of this report are as follows:

| | |
|---|---|
| Simon O'Loughlin | Chairman, Non-Executive Director |
| Peter Reid | Executive Director |
| Donald Stephens | Non-Executive Director |

All Directors have been in office for the entire financial year and to the date of this report unless otherwise noted.

**Names, qualifications, experience and special responsibilities**

**Simon O'Loughlin**
**Non-Executive Chairman** (BA (Acc))

Mr O'Loughlin is the founder of O'Loughlins Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications.

More recently, Mr O'Loughlin has been focusing on the resources sector, and is currently also the chairman of ASX-listed companies Crest Minerals Ltd, Petratherm Ltd and King Solomon Mines Ltd and a non-executive director of Chesser Resources Ltd and WCP Resources Ltd.

Other directorships held in listed companies in the past three years are: Oncosil Ltd (from March 2012 to July 2013), Aura Energy Ltd (from May 2006 to December 2013), Kibaran Resources Ltd (from September 2010 to August 2014), Reproductive Health Science Ltd (from April 2012 to February 2013 and from August 2013 to August 2014) and Goldminex Resources Limited (from July 2012 to February 2015).

Mr O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).

**Peter Reid**
**Executive Director** (BSc (Hons))

Peter Reid is a geologist and founder of ASX listed Petratherm and more recently a private Company, Sherlock Minerals. Peter has strong exploration credentials having worked initially for the Regional Geological Survey of South Australia and later with Minotaur Resources. This included being involved in the discovery of the world class Prominent Hill Cu-Au deposit that was subsequently sold to OZ Minerals. During this time he generated a portfolio of nickel projects, and aided the spin out of a successful IPO, Mithril Resources, from Minotaur.

With Minotaur's support, he went on to researching Australia's engineered geothermal energy potential, working closely with the University of Adelaide. The result of this work led to formation of Petratherm, a specialist engineered geothermal explorer and developer, and in July 2004 he led this through to a successful ASX listing as the founding CEO of Petratherm Limited. With the expansion of the company both in Australia and overseas, and maturation of its flagship project Paralana, he took on the role of exploration manager in 2006 through to June 2014. In 2011 he received the Australian Geothermal Energy's Association's Chairman's Award for his services to the Australian Geothermal Industry and was the Chairman of the Australian Geothermal Report Code from 2011 through to 2013.

In March 2013 he co-founded Sherlock Minerals which is committed to cost effective, high value polymetallic mineral exploration. In July 2013 he was appointed an executive director of ASX listed Lawson Gold Limited. He is a member of the Australian Institute of Geoscientists.

**Donald Stephens**
**Non-Executive Director/Company Secretary** (BA(Acc), FCA)
Mr Stephens is a Chartered Accountant and corporate advisor with over 25 years' experience in the accounting, mining and services industries, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants.

Mr Stephens is a Director of Mithril Resources Limited, Crest Minerals Limited and Petratherm Limited. Additionally he is Company Secretary of Highfield Resources Limited, Mithril Resources Limited, Minotaur Exploration Limited and various other listed public companies.

Other directorships held in listed companies in the past three years are: Papyrus Australia Ltd (from September 2004 to August 2015), Reproductive Health Science Ltd (from July 2013 to August 2015) and TW Holdings Ltd (from September 2011 to December 2012).

### Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares and options of Lawson Gold Limited were:

| | Number of Ordinary Shares | Number of Options over Ordinary Shares |
|---|---|---|
| Simon O'Loughlin | 1,287,076 | - |
| Peter Reid | - | - |
| Donald Stephens | - | - |
| **Total** | **1,287,076** | - |

### Corporate Governance Statement
Please refer to the Company's website www.lawsongold.com for the Corporate Governance Statement.

### Dividends
No dividends were paid or declared since the start of the year. No recommendation for payment of dividends has been made.

### Principal Activities

The principal activities of the Company during the year were:

- To conduct mineral exploration on the Western Australian tenements held and to expand the ground position through the acquisition of further exploration licences in the area.
- To extend the search for available exploration licences which, through direct or indirect investment, will provide the potential for discovery and development of commercial deposits of gold and other metals.

### Operating Results
The loss of the Company for the year after providing for income tax amounted to $219,856 (year ended 30 June 2014: $874,235).

### Operations Overview
Please refer to the review of operations contained at the front of this report.

**Risk Management**
The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks are identified on a timely basis and that the opportunities align with the Company's objectives and activities.

The Company has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

**After Balance Date Events**
On 27 July 2015, the Company announced it had executed a Mining Farm-In and Joint Venture Agreement with Moho Resources NL (Moho). Moho will acquire equity in and fund exploration of the newly named Silver Swan North Project, comprising Lawson's Mining Lease M27/263 and Exploration Licence E27/345.

The terms of the agreement are as follows:

- Moho my acquire a 25% equity in the tenements by drill testing the two high priority electromagnetic targets perspective for nickel mineralization previously announced to the ASX or such targets as agreed by Moho and Lawson.
- Moho may acquire a further 26% equity for a total of 51% by spending $400,000 (includes the amount already spent by Moho from Stage 1).
- Moho may acquire a further 19% equity for a total 70% by spending a total of $1,000,000 (includes amounts already spent in Stage 1 and Stage 2).

On 4 August 2015, all of the 900,000 unlisted options in the Company lapsed. The Company has no options on issue at the date of this report.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Significant Changes in State Of Affairs**
No significant changes in the state of affairs.

**Likely Developments**
The Group expects to maintain the present status and level of operations and therefore there are no likely developments in the Group's operations.

**Environmental Regulation and Performance**
The Company's current environmental obligations are regulated under both Western Australian State and Federal Law. The Company is committed to conduct its activities with high standards of care for the natural environment. The Company will apply the most appropriate standards to each activity and communicate with employees, contractors and communities about environmental objectives and responsibilities. No environmental breaches have been notified by any Government agency during the year ended 30 June 2015.

**Occupational Health, Safety and Welfare**
In running its business, the Company aims to protect the health, safety and welfare of employees, contractors and guests. In the reporting period the Company experienced no lost time injuries. The Company reviews its Occupational Health, Safety and Welfare (OHS&W) policy at regular intervals to ensure a high standard of OHS&W.

**Indemnification and Insurance of Directors and Officers**
Throughout the year, the Company has had in place and paid premiums for insurance policies with a limit of liability of $5 million, indemnifying each Director and the secretary of the Company. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings,

other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. The contracts of insurance contain confidentiality provisions that preclude disclosure of premium paid.

**Share Options**
There are no options outstanding at the date of this report.

**Directors' Meetings**
The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

| | Directors' Meetings | Audit Committee Meetings |
|---|---|---|
| **Number of meetings held** | 4 | 2 |

| | Directors' Meetings | | Audit Committee Meetings | |
|---|---|---|---|---|
| | **Number eligible to attend** | **Number attended** | **Number eligible to attend** | **Number attended** |
| Mr Simon O'Loughlin | 4 | 4 | 2 | 2 |
| Mr Peter Reid | 4 | 4 | 2 | 2 |
| Mr Donald Stephens | 4 | 3 | 2 | 1 |

The Company has an audit committee consisting of the following key personnel:

| | |
|---|---|
| Simon O'Loughlin | Chairman, Non-Executive Director |
| Peter Reid | Executive Director |
| Donald Stephens | Non-Executive Director/Company Secretary |

**Proceedings on Behalf of the Company**
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**Auditor Independence and Non-Audit Services**
Grant Thornton Audit Pty Ltd, in its capacity as auditor for the Company, has not provided any non-audit services throughout the reporting period. The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 12.

# Directors' Report

## 30 June 2015

## Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Directors and other Key Management Personnel of the Company.

The remuneration and entitlement information, required to be disclosed by the Corporations Act, is provided below.

**Key Management Remuneration Policy**
The Board is responsible for determining remuneration policies applicable to Directors and senior executives of the Company. The policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration consideration is given by the Board to the Company's financial performance.

The maximum aggregate annual remuneration which may be paid to Non-Executive Directors is currently $250,000, which was set out in the Company’s prospectus dated 13 May 2010. This cannot be increased without approval of the Company's shareholders.

**Key Management Personnel remuneration and equity holdings**
The Board currently determines the nature and amount of remuneration for Key Management Personnel of the Company. The policy is to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component.

All remuneration paid to Key Management Personnel is expensed as incurred. Key Management Personnel receive a superannuation guarantee contribution required by the government, which is currently 9.5% (2014: 9.25%), and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Options are valued using the Black-Scholes methodology and are recognised as remuneration over the vesting period.

The Board policy is to remunerate Non-Executive Directors at market rates based on comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

**Key Management Personnel remuneration for the year ended 30 June 2015**

| | Short Term Benefits | Post-Employment | Share-based Payments | Total |
|---|---|---|---|---|
| | **Salary, Fees & Bonuses** | **Superannuation** | **Value of Options** | **$** |
| **Simon O'Loughlin** | | | | |
| 2015 | 35,000 | 3,325 | - | **38,325** |
| 2014 | 35,000 | 3,237 | - | **38,237** |
| **Peter Reid** | | | | |
| 2015 | 27,312 | - | - | **27,312** |
| 2014 | 27,607 | - | - | **27,607** |
| **Donald Stephens** | | | | |
| 2015 | 27,312 | - | - | **27,312** |
| 2014 | 27,412 | - | - | **27,412** |
| **Total** | | | | |
| **2015** | **89,624** | **3,325** | **-** | **92,949** |
| **2014** | **90,019** | **3,237** | **-** | **93,256** |

Other than the directors of the Company, there were no other key management personnel for the years ended 30 June 2014 and 30 June 2015.

# Directors' Report
## 30 June 2015
## Remuneration Report (Audited)

Other transactions with key management personnel:

- O'Loughlin's Lawyers, of which Simon O'Loughlin is a partner, received professional service fees of $15,632 (2014: $7,055) during the year ended 30 June 2015.

- Geovise Pty Ltd, of which Peter Reid is a Director, received consulting fees of $10,723 (2014: $5,895) during the year ended 30 June 2015.

- HLB Mann Judd (SA) Pty Limited has received professional fees for accounting, taxation and secretarial services provided during the year ended 30 June 2015 totalling $74,702 (2014: $73,053). Donald Stephens, Non-Executive Director and Company Secretary, is a consultant with HLB Mann Judd (SA) Pty Ltd. As at 30 June 2015, $44,500 as payable to HLB Mann Judd (SA) Pty Ltd.

**Options issued as part of remuneration**
No options were issued to, or are held by, Key Management Personnel during the year.

**Key Management Personnel Shareholdings**

| 30 June 2015 | Balance at start of year | Net Change Other | Balance 30 June 2015 |
|---|---|---|---|
| S O'Loughlin* | 1,287,076 | - | 1,287,076 |
| P Reid | - | - | - |
| D Stephens | - | - | - |
| **Total** | **1,287,076** | **-** | **1,287,076** |

* Held by Directors and entities in which Directors have a relevant interest.

**Remuneration consultants**
The Company has not engaged remuneration consultants.

**Voting and Comments Made at the Company's 2014 Annual General Meeting**
Lawson Gold Limited received more than 96.79% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive specific feedback on its remuneration report at the AGM.

**End of Remuneration report**

This Director's Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Simon O'Loughlin
Chairman, Non-Executive Director

Dated this 28th day of September 2015

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67 Greenhill Rd
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**AUDITOR'S INDEPENDENCE DECLARATION**
**TO THE DIRECTORS OF LAWSON GOLD LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Lawson Gold Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 September 2015

# Consolidated Statement of Profit or Loss and Other Comprehensive Income
## For the Year Ended 30 June 2015

| | Note | 2015<br>$ | 2014<br>$ |
|---|---|---|---|
| Interest revenue | 5(a) | **23,423** | 20,756 |
| Impairment of non-current assets | 12 | **-** | (617,062) |
| Employee benefits expense | 5(b) | **(97,836)** | (93,256) |
| Depreciation and amortisation expense | | **(2,330)** | (1,021) |
| Accounting and group secretarial fees | | **(74,702)** | (94,741) |
| Other expenses | 5(b) | **(68,411)** | (88,911) |
| **Loss before income tax expense** | | **(219,856)** | (874,235) |
| Income tax expense | 6 | **-** | - |
| **Loss attributable to members of the entity** | | **(219,856)** | (874,235) |
| **Other comprehensive income, net of income tax** | | **-** | - |
| **Total comprehensive income for the year** | | **(219,856)** | (874,235) |
| **Loss per share** | | | |
| Basic earnings per share (cents) | 7 | **(0.47)** | (3.51) |
| Diluted earnings per share (cents) | 7 | **(0.47)** | (3.51) |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position
## As At 30 June 2015

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 8 | **803,502** | 441,223 |
| Trade and other receivables | 9 | **9,485** | 5,089 |
| Other assets | 10 | **776** | 1,225 |
| **TOTAL CURRENT ASSETS** | | **813,763** | 447,537 |
| **NON-CURRENT ASSETS** | | | |
| Plant and equipment | 11 | **255** | 2,585 |
| Exploration and evaluation assets | 12 | **735,116** | 643,867 |
| **TOTAL NON-CURRENT ASSETS** | | **735,371** | 646,452 |
| **TOTAL ASSETS** | | **1,549,134** | 1,093,989 |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 13 | **86,078** | 73,968 |
| **TOTAL CURRENT LIABILITIES** | | **86,078** | 73,968 |
| **TOTAL LIABILITIES** | | **86,078** | 73,968 |
| **NET ASSETS** | | **1,463,056** | 1,020,021 |
| | | | |
| **EQUITY** | | | |
| Issued capital | 14 | **5,304,513** | 4,641,622 |
| Reserves | 15 | **139,500** | 139,500 |
| Accumulated losses | | **(3,980,957)** | (3,761,101) |
| **TOTAL EQUITY** | | **1,463,056** | 1,020,021 |

# Consolidated Statement of Changes in Equity

## For the Year Ended 30 June 2015

**2015**

| | Note | Ordinary Shares $ | Accumulated Losses $ | Share Option Reserve $ | Total $ |
|---|---|---|---|---|---|
| **Balance at 1 July 2014** | 14, 15 | **4,641,622** | **(3,761,101)** | **139,500** | **1,020,021** |
| Net loss for the year | | - | (219,856) | - | (219,856) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income | | - | **(219,856)** | - | **(219,856)** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Issue of shares | 14 | **745,477** | - | - | **745,477** |
| Transaction costs | | **(82,586)** | - | - | **(82,586)** |
| **Balance at 30 June 2015** | 14, 15 | **5,304,513** | **(3,980,957)** | **139,500** | **1,463,056** |

**2014**

| | Note | Ordinary Shares $ | Accumulated Losses $ | Share Option Reserve $ | Total $ |
|---|---|---|---|---|---|
| **Balance at 1 July 2013** | 14, 15 | 4,641,622 | (2,886,866) | 139,500 | 1,894,256 |
| Net loss for the year | | - | (874,235) | - | - |
| Other comprehensive income | | - | - | - | - |
| **Total comprehensive income** | | - | **(874,235)** | - | **(874,235)** |
| **Balance at 30 June 2014** | 14, 15 | 4,641,622 | (3,761,101) | 139,500 | 1,020,021 |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows
## For the Year Ended 30 June 2015

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Payments to suppliers and key management personnel | | **(229,359)** | (275,404) |
| Interest received | | **19,996** | 19,484 |
| **Net cash used in operating activities** | 16 | **(209,363)** | (255,920) |
| **CASH FLOWS FROM INVESTING ACTIVITY:** | | | |
| Payments for exploration activities | | **(91,249)** | (78,781) |
| **Net cash used in investing activity** | | **(91,249)** | (78,781) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from issue of shares | | **746,790** | - |
| Payment of transaction costs | | **(83,899)** | - |
| **Net cash provided by financing activities** | | **662,891** | - |
| Net increase (decrease) in cash and cash equivalents held | | **362,279** | (334,701) |
| Cash and cash equivalents at beginning of year | | **441,223** | 775,924 |
| **Cash and cash equivalents at end of financial year** | 8(a) | **803,502** | 441,223 |

# Notes to the Consolidated Financial Statements
## For the Year Ended 30 June 2015

The financial report covers the consolidated financial statements and notes of Lawson Gold Limited and its controlled entity ("the Group"). Lawson Gold Limited is a listed public Group, incorporated and domiciled in Australia.

The functional and presentation currency of the Group is Australian dollars.

The financial report was authorised for issue by the Directors on 28 September 2015.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Lawson Gold Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Principles of Consolidation

The financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity’s financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 20 to the financial statements.

*Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

## 2 Summary of Significant Accounting Policies (continued)

### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

**Interest revenue**

Interest is recognised using the effective interest method.

### (c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### (d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

### (e) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 2(i) for further discussion on the determination of impairment losses.

### (f) Income Tax

The tax expense recognised in the consolidated statement of profit or loss comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Income Tax (continued)

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

#### (g) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**2 Summary of Significant Accounting Policies (continued)**

### (h) Plant and Equipment

Each class of plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

**Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|---|---|
| Plant and Equipment | 13 - 50% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss.

### (i) Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is any evidence of impairment for its non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

## 2 Summary of Significant Accounting Policies (continued)

### (j) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense which is recognised in finance costs. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

Any changes in the estimates for the costs are accounted on a prospective basis in the consolidated statement of profit or loss. In determining the costs of site restoration, there is an uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

### (k) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### (l) Equity-settled compensation

The Group provided benefits to Directors of the Group in the form of share-based payments, whereby Directors received options (equity-settled transactions) as compensation for work prior to listing.

The cost of these equity-settled transactions with Directors is measured by reference to the fair value at the date at which they were granted. Share-based payments to non-employees are measured at the fair value of the equity instruments issued. The fair value is determined using the Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised as an expense in the consolidated statement of profit or loss, together with a corresponding increase in the share option reserve, when the options are issued.

Upon the exercise of options, the balance of share based payments reserve relating to those options is transferred to issued capital.

**2 Summary of Significant Accounting Policies (continued)**

**(m) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

**(n) Earnings per share**

Lawson Gold Limited presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

In accordance with AASB 133 ‘Earnings per Share’, as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account in 2015 and 2014.

**(o) Adoption of new and revised accounting standards**

The Group has adopted the following revisions and amendments to AASB’s issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 July 2014:

- AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2012-3: AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets; and
- AASB 2014-1: Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles).

Management has reviewed the requirements of the above standards and has concluded that there was no effect on the classification or presentation of balances.

**(p) New Accounting Standards and Interpretations**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements and their impact on the Group where the standard is relevant:

| Standard Name | Effective date for Group | Requirements | Impact |
|---|---|---|---|
| AASB 9 Financial Instruments<br><br>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)<br><br>AASB 2012-6 Amendments to Australian | 30 June 2019 | Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow | The impact of AASB 9 has not yet been determined. |

# Notes to the Consolidated Financial Statements
## For the Year Ended 30 June 2015

### 2 Summary of Significant Accounting Policies (continued)

### (p) New Accounting Standards and Interpretations (continued)

| | | | |
|---|---|---|---|
| Accounting Standards – Mandatory Effective Date of AASB 9 and Transitional Disclosures<br><br>AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments<br><br>AASB 2014-1 Amendments to Australian Accounting Standards<br><br>AASB 2014–7 Amendments to Australian Accounting Standards arising from AASB 9<br><br>AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 | | characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value.<br><br>Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.<br><br>Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure:<br>- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or<br>- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument. | |
| AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation | 30 June 2017 | This standard amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:<br><br>a. establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;<br><br>b. clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and<br><br>c. clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. | As the Group does not currently use revenue based methods of depreciation or amortisation, there is no impact from this standard. |
| AASB 2014 – 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture | 30 June 2017 | The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.<br><br>The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. | As there has not been a sale or contribution of assets between the parent entity and its associates or joint ventures, it is not expected that these changes will have any impact on the Group. |
| AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality | 30 June 2016 | AASB 2015-3 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose. | There is not expected to be any changes to the reported financial position, performance or cash flows of the Group. |
| AASB 2015 – 1 Annual improvements (2012 – 2014 cycle) | 30 June 2017 | The following amendments / clarifications are made:<br><br>- AASB 5 – reclassification from held for sale to held for distribution to owners or from held for distribution to owners to held for sale is considered to the continuation of the original plan of disposal;<br><br>- AASB 7 – adds basis of conclusion to clarify disclosure requirements for transferred financial assets and offsetting arrangements;<br><br>- AASB 119 – confirms that high quality corporate bonds or national government bonds used to determine discount rates must be in the same currency as the benefits paid to the employee; | It is not expected that these changes will have material impact on the Group. |

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 2 Summary of Significant Accounting Policies (continued)

### (p) New Accounting Standards and Interpretations (continued)

| | | | |
|---|---|---|---|
| | | - AASB 134 – clarifies information about cross references in the interim financial report. | |
| AASB 2014-9 Equity method in separate financial statements (Amendments to AASB 127) | 30 June 2017 | This standard will allow entities to use the equity method to account for its interest in subsidiaries, joint venture and associates in separate financial statements. | As the Group has not chosen to measure its interests in subsidiaries, joint ventures or associates using the equity method, there is no change to the reporting of subsidiaries, joint ventures or associates in the separate financial statements. |
| AASB 2015-2 Disclosure Initiative – Amendment to AASB 101 | 30 June 2017 | There are no changes to accounting policies covered by this standard, however this amendment provide clarification regarding the disclosure requirements in AASB 101.<br><br>Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.<br><br>This Standard also makes an editorial correction to AASB 101. In addition, as a result of the amendments to AASB 101, this Standard makes consequential amendments to AASB 7, AASB 134 and AASB 1049. | No impact on reported financial position or performance is expected, however the Group may use this clarification to streamline or simplify some of the notes in the financial statements. |

### 3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

**Key estimates - impairment**

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key judgements - capitalisation of exploration and evaluation expenditure**

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

# Notes to the Consolidated Financial Statements
## For the Year Ended 30 June 2015

### 4 Operating Segments

**Segment information**

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and has concluded at this time that there are no separately identifiable segments.

### 5 Revenue and expenses

**(a) Interest Revenue**

| | 2015 $ | 2014 $ |
|---|---|---|
| Bank interest received or receivable | **23,423** | 20,756 |

**(b) Expenses**

| | 2015 $ | 2014 $ |
|---|---|---|
| Employee Benefit Expenses | | |
| Directors fees and other remuneration expenses | **97,836** | 93,256 |
| Total employee benefit expenses | **97,836** | 93,256 |
| Other Expenses | | |
| Legal costs | **6,508** | 9,865 |
| Occupancy costs | **-** | 370 |
| Insurance | **8,857** | 13,830 |
| ASX fees | **23,471** | 23,358 |
| Service agreements | **30** | 30 |
| Audit fees | **25,000** | 25,500 |
| Other expenses | **4,545** | 15,958 |
| Total other expenses | **68,411** | 88,911 |

### 6 Income Tax Expense

**Reconciliation of income tax to accounting profit:**

| | 2015 $ | 2014 $ |
|---|---|---|
| Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%) | **(65,957)** | (262,271) |
| Add: | | |
| Tax effect of: | | |
| - other non-allowable items | **699** | 185,425 |
| - other deductible items | **(60,755)** | 51,838 |
| | **(126,013)** | (25,008) |
| Less: | | |
| Tax effect of: | | |
| - tax losses not recognised due to not meeting recognition criteria | **(126,013)** | (25,008) |
| **Income tax expense** | **-** | - |

The Group has tax losses arising in Australia of $4,225,547 (2014: $4,099,534) that are available subject to certain conditions for offset against future taxable profits of the Group.

### 6 Income Tax Expense (continued)

This deferred tax asset will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

### 7 Earnings/(Loss) per Share

Earnings/(loss) per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

(a) Reconciliation of earnings to profit or loss from continuing operations

| | 2015 | 2014 |
|---|---|---|
| | $ | $ |
| Net loss attributable to ordinary equity holders of the parent entity | **(219,856)** | (874,235) |
| Losses used to calculate basic EPS from continuing operations | **(219,856)** | (874,235) |
| **Losses used in the calculation of dilutive EPS from continuing operations** | **(219,856)** | (874,235) |

(b) Losses used to calculate overall earnings per share

| | | |
|---|---|---|
| Losses used to calculate overall earnings per share | **(219,856)** | (874,235) |

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

| | 2015 | 2014 |
|---|---|---|
| | No. | No. |
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | **47,240,724** | 24,893,001 |
| **Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS** | **47,240,724** | 24,893,001 |

In accordance with AASB 133 ‘Earnings per Share’, as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account in 2015.

# Notes to the Consolidated Financial Statements
## For the Year Ended 30 June 2015

### 8 Cash and cash equivalents

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| Cash at bank and in hand | | **245,370** | 121,958 |
| Short-term bank deposits | | **558,132** | 319,265 |
| **Total cash and cash equivalents** | 8(a) | **803,502** | 441,223 |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The weighted average effective interest rate on short-term bank deposits was 2.71% (2014: 3.00%).

#### (a) Reconciliation of cash

Cash and Cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

| | 2015 $ | 2014 $ |
|---|---|---|
| Cash and cash equivalents | **803,502** | 441,223 |
| **Balance as per consolidated statement of cash flows** | **803,502** | 441,223 |

### 9 Trade and other receivables

| | 2015 $ | 2014 $ |
|---|---|---|
| CURRENT | | |
| Interest receivable | **3,427** | - |
| GST receivable | **6,058** | 5,089 |
| **Total current trade and other receivables** | **9,485** | 5,089 |

Receivables are not considered past due or impaired.

### 10 Other assets

| | 2015 $ | 2014 $ |
|---|---|---|
| CURRENT | | |
| Prepayments | **776** | 1,225 |
| **Total current other assets** | **776** | 1,225 |

### 11 Plant and equipment

| | 2015 $ | 2014 $ |
|---|---|---|
| PLANT AND EQUIPMENT | | |
| Plant and equipment | | |
| At cost | **14,987** | 14,987 |
| Accumulated depreciation | **(14,732)** | (12,402) |
| **Total plant and equipment** | **255** | 2,585 |

# Notes to the Consolidated Financial Statements
## For the Year Ended 30 June 2015

### 11 Plant and equipment (continued)

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial years:

| | Plant and Equipment | Total |
|---|---|---|
| | $ | $ |
| **Year ended 30 June 2015** | | |
| Balance at the beginning of year | **2,585** | **2,585** |
| Additions | **-** | **-** |
| Disposals - written down value | **-** | **-** |
| Depreciation expense | **(2,330)** | **(2,330)** |
| **Balance at the end of the year** | **255** | **255** |
| **Year ended 30 June 2014** | | |
| Balance at the beginning of year | 3,606 | 3,606 |
| Depreciation expense | (1,021) | (1,021) |
| **Balance at the end of the year** | 2,585 | 2,585 |

### 12 Exploration and evaluation assets

| | 2015 | 2014 |
|---|---|---|
| | $ | $ |
| Exploration and evaluation | **735,116** | 643,867 |
| **Total exploration and evaluation assets** | **735,116** | 643,867 |

| | Exploration and evaluation |
|---|---|
| | $ |
| **2015** | |
| **Balance at beginning of the year** | **643,867** |
| Capitalised exploration costs | **91,249** |
| Exploration costs written off | **-** |
| **Balance at end of the year** | **735,116** |
| **2014** | |
| **Balance at beginning of the year** | 1,182,148 |
| Capitalised exploration costs | 78,781 |
| Exploration costs written off | (617,062) |
| **Balance at end of the year** | 643,867 |

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

# Notes to the Consolidated Financial Statements
## For the Year Ended 30 June 2015

### 12 Exploration and evaluation assets (continued)

Exploration and Evaluation expenditure has been carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recovered reserves. Management assessment of carried forward expenditure resulted in no impairment charge for the year ended 30 June 2015 (2014: $617,062).

The Group's interest in tenements and unincorporated joint ventures and their carrying values of exploration assets are as follows:

| **Tenements** | **Commodity** | **Carrying Value 2015** | **Carrying Value 2014** |
|---|---|---|---|
| | | **$** | **$** |
| 100% owned tenements | Gold | **735,116** | 246,087 |
| Farmed-out interests in unincorporated joint venture operations | Gold | **-** | 397,780 |
| | | **735,116** | 643,867 |

### 13 Trade and other payables

| | **2015** | **2014** |
|---|---|---|
| | **$** | **$** |
| CURRENT | | |
| Unsecured liabilities | | |
| Trade payables | **45,786** | 40,164 |
| Payroll payables | **3,010** | 3,804 |
| Other payables | **37,282** | 30,000 |
| **Total current trade and other payables** | **86,078** | 73,968 |

Included in payables as at 30 June 2015 are payables to director-related entities of $44,550 (2014: $36,736) to HLB Mann Judd (SA) Pty Ltd for accounting and corporate secretarial expenses.

### 14 Issued Capital

| | 2015 | 2014 |
|---|---|---|
| | $ | $ |
| 49,786,002 (2014: 24,893,001) Ordinary shares | **5,304,513** | 4,641,622 |
| **Total issued capital** | **5,304,513** | 4,641,622 |

#### (a) Ordinary shares

| | 2015 | 2014 |
|---|---|---|
| | No. | No. |
| At the beginning of the year | **24,893,001** | 24,893,001 |
| Shares issued during the year | | |
| - Fully paid ordinary shares allotted on 28 July 2014 at $0.03 per share | **13,433,870** | - |
| - Fully paid ordinary shares issued to Taylor Collison Ltd pursuant to an underwriting agreement for shortfall shares under the non-renounceable rights issue. | **11,459,131** | - |
| **At the end of the year** | **49,786,002** | 24,893,001 |

The holders of ordinary shares are entitled to participate in dividends (in the event when a dividend is declared) and the proceeds on winding up of the parent entity. On a show of hands at meetings of the parent entity, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Group does not have authorised capital or par value in respect of its shares.

In the event of winding up the Group, ordinary shareholders rank after all creditors and are fully entitled to any net proceeds of liquidation.

#### (b) Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Group consists of equity attributable to equity holders, comprising issued capital and reserves as disclosed in Notes 14 and 15 respectively.

Proceeds from share issues are used to maintain and expand the Group’s exploration activities and fund operating costs.

### 15 Reserves

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| **Share option reserve** | 16(a) | | |
| Balance at beginning of the year | | **139,500** | 139,500 |
| **Balance at end of the year** | | **139,500** | 139,500 |
| **Total reserves** | | **139,500** | 139,500 |

**(a) Share option reserve**

This reserve records items recognised on valuation of share options and other equity settled transactions.

### 16 Cash Flow Information

**Reconciliation of result for the year to cashflows from operating activities**

| | 2015 | 2014 |
|---|---|---|
| Net loss for the year | **(219,856)** | (874,235) |
| Non-cash flows in profit: | | |
| - depreciation | **2,330** | 1,021 |
| - impairment of non-current assets | **-** | 617,062 |
| Changes in assets and liabilities: | | |
| - increase in trade and other receivables | **(4,396)** | (4,056) |
| - decrease in prepayments | **449** | 3,062 |
| - increase in trade and other payables | **12,110** | 1,226 |
| **Cashflow from operations** | **(209,363)** | (255,920) |

### 17 Remuneration of Auditors

| | 2015 | 2014 |
|---|---|---|
| Remuneration of the auditor of the Group, Grant Thornton Audit Pty Ltd, for: | | |
| - auditing or reviewing the financial report | **25,000** | 25,500 |
| **Total remuneration of auditors** | **25,000** | 25,500 |

### 18 Capital and Leasing Commitments

**Exploration leases**

In order to maintain current rights of tenure to exploration tenements the Group will be required to spend in the year ending 30 June 2016 amounts of approximately $203,900 (2015: $183,900). These obligations are expected to be fulfilled in the normal course of operations.

### 19 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2015 (30 June 2014: None).

### 20 Interests in Subsidiaries

| | Principal place of business / Country of Incorporation | Percentage Owned (%)* 2015 | Percentage Owned (%)* 2014 |
|---|---|---|---|
| **Subsidiaries:** | | | |
| Punch Resources Ltd | Australia | **100** | 100 |

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

### 21 Financial Risk Management

**Categories of financial instruments**

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and cash equivalents | 8 | **803,502** | 441,223 |
| Loans and receivables | 9 | **9,485** | 5,089 |
| **Total financial assets** | | **812,987** | 446,312 |
| **Financial Liabilities** | | | |
| Financial liabilities at amortised cost | | | |
| - Trade and other payables | 13 | **86,078** | 73,968 |
| **Total financial liabilities** | | **86,078** | 73,968 |

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group does not have any significant credit risk exposure to any single counterparty or any company or counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group’s maximum exposure to credit risk.

# Notes to the Consolidated Financial Statements
## For the Year Ended 30 June 2015

**21 Financial Risk Management (continued)**

**Market risk**

**(i) Cash flow interest rate sensitivity**

The Group is exposed to interest rate risk as it holds some bank deposits at floating rates.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term deposits are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank deposits, which are subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +0.50% and -0.50% (2014: +0.50%/-0.50%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | +0.50% | -0.50% | +0.50% | -0.50% |
| | $ | $ | $ | $ |
| **Cash and cash equivalents** | | | | |
| Net loss | **4,017** | **(4,017)** | (1,544) | 1,544 |
| Equity | **4,017** | **(4,017)** | (1,544) | 1,544 |

**(ii) Financial instrument composition and maturity analysis**

The Group's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

| | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Non-interest Bearing | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | % | % | $ | $ | $ | $ | $ | $ |
| **Financial Assets:** | | | | | | | | |
| Cash and cash equivalents | **2.71** | 3.00 | **803,502** | 441,223 | **-** | - | **803,502** | 441,223 |
| Trade and other receivables | **-** | - | **-** | - | **9,485** | 5,089 | **9,485** | 5,089 |
| **Total Financial Assets** | | | **803,502** | 441,223 | **9,485** | 5,089 | **812,987** | 446,312 |
| **Financial Liabilities:** | | | | | | | | |
| Trade and other payables | **-** | - | **-** | - | **86,078** | 73,968 | **86,078** | 73,968 |
| **Total Financial Liabilities** | **-** | - | **-** | - | **86,078** | 73,968 | **86,078** | 73,968 |

The Group is not materially exposed to any effects on changes in interest rates.

### 21 Financial Risk Management (continued)

#### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves.

The Group's liabilities have contractual maturities which are summarised below. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

| | Not later than 1 month | | 1 to 3 months | | 3 months to 1 year | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | $ | $ | $ | $ | $ | $ |
| Trade and other payables | - | - | **86,078** | 73,968 | - | - |
| **Total** | - | - | **86,078** | 73,968 | - | - |

### 22 Related Parties

#### Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

- O'Loughlin's Lawyers, of which Simon O'Loughlin is a partner, received professional service fees of $15,632 during the year ended 30 June 2015 (2014: $7,055). As at 30 June 2015, $3,432 was payable to O'Loughlin's Lawyers.

- Geovise Pty Ltd, of which Peter Reid is a Director, received consulting fees of $10,723 during the year ended 30 June 2015 (2014: $5,895).

- HLB Mann Judd (SA) Pty Limited has received professional fees for accounting, taxation and secretarial services provided during the year totalling $74,702 (2014: $73,053). Donald Stephens, Non-Executive Director and Company Secretary, is a consultant with HLB Mann Judd (SA) Pty Limited. As at 30 June 2015, $44,550 was payable to HLB Mann Judd (SA) Pty Ltd.

For details of Key Management Personnel's remuneration, interests in shares and options of the Group, refer to Note 22: Key Management Personnel Disclosures.

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 23 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Lawson Gold Limited during the year are as follows:

| | 2015 | 2014 |
|---|---|---|
| | $ | $ |
| Short-term employee benefits | **89,624** | 90,019 |
| Post-employment benefits | **3,325** | 3,237 |
| **Total remuneration paid to key management personnel** | **92,949** | 93,256 |

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of Lawson Gold Limited's key management personnel for the year ended 30 June 2015 and their interests in shares and options of the Company.

**Other key management personnel transactions**

For details of other transactions with key management personnel, refer to Note 22: Related Parties.

### 24 Parent entity

The following information has been extracted from the books and records of the parent, Lawson Gold Limited and has been prepared in accordance with Accounting Standards.

| | 2015 | 2014 |
|---|---|---|
| **Statement of Financial Position** | | |
| Assets | | |
| Current assets | **816,221** | 448,749 |
| Non-current assets | **735,371** | 646,452 |
| Total Assets | **1,551,592** | 1,095,201 |
| Liabilities | | |
| Current liabilities | **86,078** | 73,968 |
| Total Liabilities | **86,078** | 73,968 |
| Net assets | **1,465,514** | 1,021,233 |
| Equity | | |
| Issued capital | **5,304,513** | 4,641,622 |
| Accumulated losses | **(3,978,499)** | (3,759,889) |
| Reserves | **139,500** | 139,500 |
| Total Equity | **1,465,514** | 1,021,233 |
| **Statement of Profit or Loss and Other Comprehensive Income** | | |
| Net profit/(loss) for the year | **(218,610)** | (873,023) |
| Other comprehensive income | **-** | - |
| **Total comprehensive income** | **(218,610)** | (873,023) |

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities as at 30 June 2015 or 30 June 2014.

The parent entity did not have any commitments as at 30 June 2015 or 30 June 2014.

### 25 Events Occurring After the Reporting Date

On 27 July 2015, the Group announced it had executed a Mining Farm-In and Joint Venture Agreement with Moho Resources NL (Moho). Moho will acquire equity in and fund exploration of the newly named Silver Swan North Project, comprising Lawson's Mining Lease M27/263 and Exploration Licence E27/345.

The terms of the agreement are as follows:

- Moho may acquire a 25% equity in the tenements by drill testing the two high priority electromagnetic targets perspective for nickel mineralization previously announced to the ASX or such targets as agreed by Moho and Lawson.

- Moho may acquire a further 26% equity for a total of 51% by spending $400,000 (includes the amount already spent by Moho from Stage 1).

- Moho may acquire a further 19% equity for a total 70% by spending a total of $1,000,000 (includes amounts already spent in Stage 1 and Stage 2).

On 4 August 2015, all of the 900,000 unlisted options in Lawson Gold Limited lapsed. Lawson Gold Limited has no options on issue at the date of this report.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

# Directors' Declaration

The directors of the Group declare that:

1. the financial statements and notes for the year ended 30 June 2015 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in Basis of preparation note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Group;

2. the Chairman and Company Secretary have given the declarations required by Section 295A that:

    a. the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Simon O'Loughlin
Chairman, Non-Executive Director

Dated this 28th day of September 2015

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# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBERS OF LAWSON GOLD LIMITED

## Report on the financial report

We have audited the accompanying financial report of Lawson Gold Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

## Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

## Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Auditor's opinion**
In our opinion:

a the financial report of Lawson Gold Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

**Report on the remuneration report**
We have audited the remuneration report included in pages 9 to 10 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

**Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Lawson Gold Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 September 2015